

BEFORE THE
Federal Communications Commission
Washington, D.C. 20554

**ORIGINAL
FILE**

In Re Applications of)

ROBERT B. TAYLOR)

For Renewal of License for)
Station WTRU (FM) Jupiter, Florida)

JUPITER BROADCASTING CORPORATION)

For Construction Permit for a)
New FM Station in Jupiter, Florida)

MM Docket No. 92-114

File No. BRH-880926UJ

File No. BPH-890103MD

RECEIVED

AUG 13 1992

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

To: Honorable Walter C. Miller
Administrative Law Judge

FIRST MOTION TO ENLARGE ISSUES
AGAINST JUPITER BROADCASTING CORP

Robert B. Taylor, by counsel, hereby requests that the issues be enlarged in this proceeding against Jupiter Broadcasting Corp. ("JBC") to include real-party-in-interest, lack of candor and misrepresentation issues.¹ In support thereof the following is stated:

¹ The depositions of Charles Reid and Paul Levine occurred on July 29, 1992. The deposition of Alan Potamkin occurred on July 31, 1992. Unverified transcripts of the depositions of Levine and Reid became available on August 4, 1992; the Potamkin transcript became available on August 8, 1992. Under Section 1.229(b) of the Commission's Rules, 47 CFR 1.229(b), Motions to Enlarge are timely if filed within 15 days following the discovery of facts on which the motion is based. Inasmuch as the instant Motion is being filed within 15 days of the deposition dates, it has been timely filed under Section 1.229(b). Further, consideration of these matters is appropriate since the facts set forth raise questions of probable decisional significance and such substantial public interest as to warrant their consideration even if the Motion was untimely.

No. of Copies rec'd 0+6
List A B C D E

1. When the JBC application was filed on January 3, 1989, the only shareholder listed was Charles Reid who was shown as the sole officer, director and 100% voting shareholder. Non-voting shareholders did not have to be reported. At the time of the filing, Mr. Reid held 15 of the 100 shares of issued JBC stock (15% equity) and his shares were designated as Class A stock. There were three non-voting shareholders holding the remaining shares which were designated as Class B stock: Paul Levine held 20 shares (20% equity); Phillip Greenberg held 60 shares of stock (60% equity); and William Washington held 5 shares of stock (5% equity).

2. At the time he became involved in JBC, Mr. Reid was a one-third owner of, and was involved in operating, a "cable radio station" which used the audio channels of a cable system. Mr. Washington was also a one-third owner of the cable radio station (Reid, Tr. 5) ². Prior to his involvement in the Jupiter radio project, Mr. Reid had never previously met Mr. Levine (Reid, Tr. 9) or Mr. Greenberg. Mr. Reid's explanation at deposition as to how he became involved in the JBC application was that he had heard about a station being off the air and contacted Mr. Belisle to find out "what it would cost and what would be involved in getting a radio station that's been off the air for a couple of years". After discovering that he could not afford the expense, it turned out by mere coincidence that Mr. Belisle knew the name of another gentlemen, Paul Levine, who was also interested in that same station and he gave Mr. Levine's name and telephone number to Mr. Reid. (Reid, Tr. 10-11). Mr. Levine stated that he had received a call from either

². All of the cited pages to the Reid deposition transcript are submitted as Attachment A. The entire Levine deposition transcript is submitted as Attachment B. The cited pages to the Potamkin deposition transcripts are submitted as Attachment C.

Matt Liebowitz or Joseph Belisle to inform him that Mr. Reid had contacted them. (Levine, Tr. 8). At that time, Mr. Levine was a Miami attorney. Mr. Reid and Mr. Levine spoke by telephone and arranged to meet.

3. Mr. Reid testified that he became involved in the FM project about five months before the January 1989 JBC filing. (Reid, Tr. 12). Paul Levine's interest in the Jupiter stations goes back much farther. He wrote to Mr. Taylor as early as September 14, 1987 stating that he represented a "group" interested in purchasing the stations. He wrote again on November 6, 1987 and reiterated the offer. He wrote again on February 3, 1988 stating that "this is a serious inquiry on behalf of a client with ability to move quickly." (See letters - Attachment D). Mr. Levine also had telephone conversations with Mr. Taylor's then counsel, Mr. James Bayes, about purchasing the stations. (Levine, Tr. 3-4). Mr. Levine testified that when he spoke to counsel he was acting on behalf of himself and Phillip Greenberg. (Levine, Tr. 4). Mr. Levine contacted a media broker to get an estimate of the value of the stations. (Levine, Tr. 6). He stated that when he and Mr. Greenberg "had decided to apply for the license", he contacted Matt Liebowitz and, through that contact, obtained Mr. Reid's name. (Levine, Tr. 8).

4. Mr. Levine has had discussions with Mr. Reid about settling the litigation by purchasing the station assets numerous times since December 1988, and, has discussed what the stations are worth and the concept of settling the case with Mr. Potamkin. (Levine, Tr. 38). Mr. Levine testified that Mr. Greenberg was the person who had sufficient funds to finance the project. (Levine, Tr. 10). The prospective participants met at a hotel.

5. As to why Mr. Reid had all of the voting stock, Mr. Levine testified: (Levine, Tr. 14)

I am not sure if Bill Washington was there at the first meeting. I scheduled subsequent meetings. I had Rod Burbridge, who was a black broadcaster, come in from New Orleans. At that time he was a station manager in New Orleans. I had Philip Greenberg come in. We had a meeting at a hotel close to here in Palm Beach County.

I wanted Ron Burbridge to give me an idea, can this person, Chuck Reid, run a station, can he be a station manager, should Philip and I, particularly Philip put money into this.

Mr. Levine acknowledged that the fact that Mr. Reid was a black American with broadcast experience was also a factor that was considered. (Levine, Tr. 15). They ultimately agreed to go forward with an application. When asked whether there was any discussion about how much ownership each of the participants would have, Mr. Reid testified that he left that to the lawyers but made it known that it was his idea and that: "as far as I was concerned, it was my initiation of this whole thing and that I wanted, I wanted, I wanted that to mean something." (Reid, Tr. 18). Mr. Reid stated that the decision as to whether the applicant would be a corporation as opposed to a partnership was decided by "the lawyers". He said that the application was prepared by his lawyers and that he signed it for filing on December 12, 1988. (Reid, Tr. 61). The Articles of Incorporation of Jupiter Broadcasting Corp. were filed on December 15, 1988, effective December 12, 1988. See Attachment E. Mr. Levine testified that they were prepared by Liebowitz & Spencer. At the end of the Articles, beneath the notary signature, appears the typed phrase "Levi4291.1" which would appear to be a Liebowitz & Spencer office code for the client and the account number. The same phrase appears on the last page

of the Shareholders' Agreement which is dated "December ----, 1988". (See Attachment F). Mr. Levine wrote a letter to Mr. Reid on December 16, 1988 which enclosed his check for \$200 for his stock and Mr. Greenberg's check covering the cost of his stock and the FCC filing fee. See Attachment G. Since the application was signed on December 12, 1988 and the Articles were filed with the Secretary of State on December 15, 1988, effective December 12, 1988, the JBC two-tier structure was fixed as of December 12, 1988.

6. In early 1990, Mr. Greenberg, having moved from Florida to Kentucky, contacted Paul Levine and told him he did not want to have a long term project in Florida and asked Mr. Levine to "get him out of the project". (Levine, Tr. 17; Reid, Tr. 33). Mr. Levine told him that as his friend and attorney, he would "try to get him out and to get back to him every dollar he had put into it." (Levine, Tr. 18). A draft of an agreement was prepared entitled "Phillip M. Greenberg Stock Agreement" under which the corporation would purchase Mr. Greenberg's shares for a price of \$43,000. (See transmittal letter and agreement - Attachment H). When asked how that figure was reached, Mr. Reid stated that: "I believe the lawyers came to that decision." (Reid, Tr. 33). In an effort to find a replacement for Mr. Greenberg, Mr. Levine contacted a former client and friend, Michael A. Goldberg (Levine, Tr. 19), and an agreement was drafted under which Mr. Goldberg would purchase 30 shares of stock (See Attachment I). Mr. Reid testified that Mr. Levine was the primary contact with Mr. Goldberg. (Reid, Tr. 35). Mr. Goldberg introduced Mr. Levine to another prospective investor, Alan Potamkin, who met Mr. Levine at a restaurant in Coral Gables. (Levine, Tr. 21; Potamkin, Tr. 11-

12). Mr. Potamkin is in the automobile business and has other investments including ownership in a Tequesta television station and in a Miami radio station. (See Attachment J) Communications counsel for the television partnership is Liebowitz & Spencer. (Potamkin, Tr. 7)

7. Another agreement was drafted at the same time under which Mr. Potamkin would purchase an option for 30 shares of stock. Paragraph one of that option draft provided for a price for the option of \$120,000. Paragraph three of the agreement stated that Mr. Potamkin agreed to provide personal guarantees to secure \$800,000 in financing. Mr. Potamkin testified that he was not provided with any sort of budget for construction and operating costs. When asked where the \$800,000 figure came from, he stated that he "discussed it with Mr. Liebowitz, my FCC counsel, as a figure that he and I agreed would be more than adequate for the station." (Potamkin, Tr. 13). When asked what steps would be taken to get the financing, Mr. Potamkin said that would be his responsibility. (Potamkin, Tr. 14). The provision dealing with the guarantee for the \$800,000 became paragraph 6 of the final version of the Alan H. Potamkin Option Agreement.

8. Ultimately, Mr. Goldberg decided not to go forward with the purchase of shares. Mr. Reid testified that he did not know why Mr. Goldberg made that decision. (Reid, Tr. 35). However, Mr. Levine did know. He testified that Mr. Goldberg did not know anything about the broadcasting business and decided he did not want to do anything outside of his main business, the airline business (Levine, Tr. 21). The "Alan H. Potamkin Option Agreement" was signed by Mr. Potamkin on April 15, 1990. (See

Attachment K). Mr. Potamkin became the replacement for Greenberg as the main source of financing (Potamkin, Tr. 60) except that he did not directly purchase the 60 shares owned by Greenberg but instead purchased an option for 60 shares of stock. The price of the option was \$43,000 which provided JBC with the money to pay off Mr. Greenberg. The \$43,000 payment to Mr. Greenberg was sent to Mr. Levine to be forwarded to Mr. Greenberg (Levine, Tr.29). (See Letter dated May 22, 1990 - Attachment L).

9. In the option agreement, Mr. Potamkin agreed to arrange for a loan for the funds to prosecute the application. In a March 6, 1990 letter to Mr. Reid from counsel, the drafts of agreements were forwarded (See Attachment M) and the letter states that "I have tried to incorporate Paul Levine's March 5 comments". When asked whether the "comments" were in writing, Mr. Levine stated that "Usually I did stuff on the phone with the lawyers, but I can't recall." (Levine, Tr. 26). In an April 10, 1990 letter to Alan Potamkin from counsel (See Attachment N), copies of the option agreement drafts were forwarded and it is stated that "As soon as Paul Levine secures the financing that will permit Phillip Greenberg's departure from the corporation, I will obtain signatures from the corporation". Mr. Levine stated (Levine, Tr. 27) that "I may have helped secure a *** at least written confirmation from a Miami bank that it would be willing to finance the actual construction stage." The amendment to the application reporting the withdrawal of Phillip Greenberg and the signing of the Potamkin option was filed on May 2, 1990.

10. The Potamkin option agreement requires (Para. 6) Mr. Potamkin to "provide such personal guarantees and such pledges of non-voting stock" as are necessary to secure \$800,000 in financing for the construction and operation of the AM/FM stations. The

option agreement calls for Mr. Potamkin (para. 8) "to obtain and guarantee repayment of a loan from Barnett Bank of South Florida, N.A. (the Bank) to the corporation to be used for the purpose of prosecuting Corporation's applications". The amount of the loan was to be in the amount of \$197,000. Mr. Potamkin obtained the loan in the form of a line of credit. (Levine, Tr. 39, Potamkin, Tr. 18). The loan was secured by a certificate of deposit. (Potamkin, Tr. 19). Thus, Mr. Potamkin has paid \$43,000 for his option and guaranteed repayment of a \$197,000 loan for a total of \$240,000. Paragraph 9 of the option agreement states that if the costs of preparing and prosecuting the JBC application should exceed \$240,000, Mr. Potamkin agrees to guarantee loans for 60% of the amounts over \$240,000. Mr. Levine stated that the other shareholders would pay their pro-rata share including Mr. Reid. (Levine, Tr. 40). When Mr. Reid was asked what would happen to the 40% of the cost over \$240,000 after Mr. Potamkin paid his 60%, he answered, "I don't know." (Reid, Tr. 82).

11. A Revised Shareholders Agreement (See Attachment O) was executed in April 1990 and made an attachment to the Potamkin option agreement; it contains new provisions that were not in the original Shareholders' Agreement. For example, a provision entitled "Employment of Charles E. Reid" was added which calls for the payment of \$500.00 per month to Mr. Reid prior to the FCC granting authority to construct and operate a Jupiter, Florida radio station with the payments retroactive to December 1, 1989. The \$500.00 monthly payments have been made. (Levine, Tr. 31; Reid, Tr. 48-49).

12. A year later, in April 1991, an amendment to the Potamkin option agreement

and a Second Revised Shareholders Agreeent (See Attachment P) were executed. The Second Revised Shareholders Agreement contained language not contained in the Revised Shareholders Agreement of April 1990. A new provision entitled "Issuance of Voting Stock" provided for the issuance of voting stock to Paul Levine and William Washington and for Mr. Levine to become Secretary/Treasurer of the company. A provision entitled "Option On Charles Reid Stock" was added which gives the other shareholders (Messrs. Levine and Washington) an option to buy out Mr. Reid's interest within a 45-day period after the first anniversary of the start of operation of the station. Mr. Reid stated (Reid, Tr. 52) that:

It was added, because in the process of all this legal stuff, from 1978 (sic) until now -- I didn't expect it to last as long as it's lasted, this legal stuff to go on. I thought that I would probably be operating a radio station. And I decided that, well, I'll operate -- I want to be cashed out at the end of one year. I would like to take my earnings or whatever and venture into something else. Or I needed -- I wanted them to buy me out. I could remain, I think I promised them I would remain there and work for them or whatever, but the capital equity, is that what you call it, I wanted it to buy a home or just to make myself comfortable. I don't have to own the radio station to be happy or to be fulfilled with what I wanted to do."

13. Interestingly, Mr. Levine, in discussing this provision, stated "Chuck consistently said to me, he may have said it to you in this deposition earlier, I don't know, that he wanted to help run a radio station and that's what he was in it for, and the stock to him was not the most important thing." (Levine, Tr. 48)

14. In answering questions about the valuation of his interest, Mr. Reid stated (Reid, Tr. 55) that he did not care that the language required arbitrators (if use of

arbitrators became necessary) to not differentiate between voting and non-voting stock and said: "I wanted them, wherever possible, to take me out so I can have a little fun."

15. The option provision to buy out Reid also calls for offsetting any debt that Mr. Reid owes to the corporation and he indicated, "I think I made a loan from the corporation toward my car or something like that." Mr. Reid testified that he has not yet paid for his shares of stock and has not been required to put any funds into the corporation. (Reid, Tr. 56).

16. Another new provision entitled "Construction of Station" was added which states that if JBC gets a permit and the station is not constructed within the 18 month period, Mr. Reid becomes a non-voting stockholder and Mr. Levine becomes the new President of the company. When asked who suggested that language, Mr. Reid stated (Reid, Para. 58) that: "I don't know. I guess in the negotiation with the lawyers".

17. Another new provision entitled "Shareholder Action" was added to the Second Revised Shareholder Agreement which lists a number of actions, numbered (a) through (f), which the corporation's President, Mr. Reid, shall not take without the concurrence of shareholders holding 85% of the voting stock. Since Mr. Reid holds 75% of the voting stock and Mr. Washington holds only 5%, the provision requires Mr. Levine's consent for any of the listed actions. One of the listed actions, numbered (e), is "obligate the corporation in amounts totaling in excess of \$200". When asked who suggested that language, Mr. Reid stated (Reid, Tr. 60) that it was "the lawyers". Mr. Levine, however, had a more informative explanation and stated that: "certain things weren't getting done, which, frankly, should have been getting done when Chuck was the solo commander in

chief", (Levine, Tr.41) and went on to say: "I love Chuck, but I will say this frankly, he let some things slip and the corporation was involuntarily dissolved for not having filed the proper papers with the state, which now Bill Washington does." (Levine, Tr. 45). He further stated: "I think this was done to require virtual unanimity among shareholders in order to share the responsibility in a fashion that would make things run more smoothly." (Levine, Tr. 46).

18. On May 1, 1991, a post-cutoff amendment to the JBC application was filed which reported that Paul Levine had acquired 4 shares of voting stock and that William Washington had acquired one share of voting stock which together gave them 25% of the voting stock of JBC, dropping Mr. Reid's ownership of voting stock from 100% to 75%. The May 1 amendment also reported the other changes noted above.

19. The test for determining whether a party other than the one designated as being in control is the real-party-in-interest is "whether that person has an ownership interest, or is or will be in a position to actually or potentially control the operation of the station." KOWL, Inc., 49 FCC 2d 962 (Rev. Bd. 1974); Perry Television, Inc., 5 FCC Rcd 1667 (Rev. Bd. 1990); San Joaquin Television Improvement Corporation, 2 FCC Rcd 7004, 7008 (1987).

20. Reid was held out as the sole "control" person in the JBC application from its signing on December 12, 1988 until May 1, 1991 when the amendment providing voting stock to Levine and Washington was filed. However, the testimony at the recent deposition, coupled with the actions taken in the various agreements, makes it clear that although Mr. Reid was held out as the control person, control actually was exercised by

non-voting shareholder Paul Levine and others. In fact, the testimony raises the question of whether there has already been a de facto transfer of control which requires assignment of a new file number and dismissal of the JBC application.

21. From December 12, 1988 until May 1, 1991, Mr. Levine was supposed to be a passive non-voting shareholder. It is now clear that he has never been passive. The facts adduced at deposition reveal that Paul Levine has been continuously active in the affairs of JBC and appears to have been the primary moving party in the application. The evidence now available raises substantial questions whether Mr. Levine should be regarded as the moving force and real-party-in-interest in the JBC application, and whether Mr. Reid has been a "straw man". The fact that JBC has decided not to claim any integration credit has no impact on whether this question should be explored.

22. It is clear that Mr. Reid did not exercise sole control between December 12, 1988 and May 1, 1991 when he was the purported 100% voting shareholder; that he has not acted as the 75% control person since May 1, 1991; that he has not only put no funds into JBC but he has received funds from JBC in the form of the \$500.00 monthly payments and funds for an automobile. The funds for prosecuting the application and the guarantee for the funds to construct and operate are coming from option holder, Alan Potamkin. Even though Mr. Potamkin holds an option for non-voting stock, that fact that he is the provider of funds provides him with considerable leverage. The Commission has recognized that a financier can use that leverage as a bludgeon with which to bend a licensee to its will. Benito B. Rish, M. D., 6 FCC Rcd 2628 (1991).

23. It is also obvious that Mr. Reid's current role is temporary and that under the

option in the Second Revised Shareholders Agreement he will be bought out at the end of one year of operation. It must be presumed that Alan Potamkin will exercise his option and acquire 60 shares of non-voting stock (60% equity) within the specified six month period after receipt of a construction permit, and, that Messrs. Levine and Washington will exercise their option to buy out Charles Reid's 75% interest within the 45 day period after one year of operation. The Potamkin option agreement states that "this option shall expire six months after the grant of a construction permit to the corporation by the FCC". Since JBC has received a construction permit for the Jupiter AM station on June 29, 1992, Mr. Potamkin will presumably exercise his option in December 1992.

24. It is clear from Mr. Reid's testimony that he wants to have his interest purchased and it must be presumed that the various options will be exercised and that by the end of 13 1/2 months of operation, Mr. Reid will have no ownership in JBC. The Commission has adopted a rebuttable presumption that options to buy or sell equity interests will be exercised. WWOR-TV, Inc., 6 FCC Rcd 6569, 6572, n. 13 (1991).

25. In Perry Television, Inc., a real-party-in-interest issue had been added, and, the Board agreed with one party that a lack of candor issue also was warranted on the same facts stating (fn. 2) that "there is merit in RPI's assertion" that "PTI's failure to disclose in its application and related documents that its control resided elsewhere than in the nominal "voting" shareholders listed in its application amounts to a disqualifying lack of candor, if not outright misrepresentation." Mr. Levine's active involvement in the affairs of JBC, and the minimum involvement of Charles Reid raises both real-party-in-

interest and lack of candor/misrepresentation questions which warrant exploration at hearing. The requested issues can be included as part of the Phase II hearing scheduled in November.


In view of the foregoing, the issues in this proceeding should be enlarged by the addition of the following issues against JBC:

To determine whether Paul Levine is a real-party-in-interest in Jupiter Broadcasting Corp. and, if so, whether Jupiter Broadcasting Corp. is qualified to become a Commission licensee.

To determine whether Jupiter Broadcasting Corp. misrepresented or was lacking in candor in its proposal to the Commission in its application Form 301 which failed to disclose the role of Paul Levine in exercising control over JBC, and whether he, and /or others was a real-party-in-interest to the application, and, if so, whether Jupiter Broadcasting Corp. is qualified to become a Commission licensee.

Respectfully submitted,

ROBERT B. TAYLOR

By: 
J. Richard Carr
His Attorney

August 13, 1992

P.O. Box 70725
Chevy Chase, MD 20813-0725

LIST OF ATTACHMENTS

Attachment A	Pages From Reid Transcript
Attachment B	Entire Levine Transcript
Attachment C	Pages from Potamkin Transcript
Attachment D	Three Levine Letters
Attachment E	Articles of Incorporation
Attachment F	Shareholders Agreement
Attachment G	December 16, 1988 Levine Letter
Attachment H	Letter and Greenberg Stock Agreement
Attachment I	Draft of Goldberg Stock Agreement
Attachment J	Potamkin Letterhead
Attachment K	Alan H. Potamkin Option Agreement
Attachment L	May 22, 1990 Letter Re: Transmitting Check For Greenberg
Attachment M	March 6, 1990 counsel letter
Attachment N	April 10, 1990 counsel letter
Attachment O	Revised Shareholders Agreement
Attachment P	Amendment to Potamkin option agreement and Second Revised Shareholders Agreement

A

ATTACHMENT A

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

IN RE: Applications of

MM Docket
No. 92-114

Robert B. Taylor
Jupiter, Florida

FCC File No.
BRH-880926UJ

For Renewal of Station WTRU (FM)

Jupiter Broadcasting Corporation
Jupiter, Florida

FCC File No.
BPH-890103MD

For a Construction Permit
-----/

DEPOSITION OF CHARLES REID

Taken before Barbara J. Shandell,
Court Reporter, Notary Public in and for the State
of Florida at Large, pursuant to Notice of Taking
Deposition filed by the applicants in the above
cause.

CERTIFIED
COPY

Wednesday, July 29, 1992
1400 Centrepark Boulevard, Suite 960
West Palm Beach, Florida
1:10 - 4:05 p.m.



West Palm Beach
North Palm Beach
Boca Raton

KNIPES-COHEN
COURT REPORTING SERVICE
Serving South Florida

Fort Lauderdale
Deerfield Beach
Stuart

1 A. Basically nothing.

2 Q. Okay. Now --

3 A. It was just information.

4 Q. Okay. Now were you approached by anyone
5 about getting involved in an application to
6 challenge the renewals of the Jupiter stations?

7 A. No.

8 Q. Now you were in business with William
9 Washington, weren't you?

10 A. Yes.

11 Q. That was in a cable radio station
12 business?

13 A. Correct.

14 Q. Am I correct that he was a one-third
15 owner and you were also a one-third owner?

16 A. Yes.

17 Q. And is it correct that you were the
18 general manager of that cable radio station?

19 A. Yes.

20 Q. Now just for clarification, what is a
21 cable radio station?

22 A. It was an invention. It's the ability --
23 I mean you no disrespect. It was just an
24 invention. It was the ability of broadcasting music
25 over home stereo units by way of the cable company.



1 it.

2 BY MR. CARR:

3 Q. My last question, I believe, was, did you
4 receive any letters from the FCC about KBLK?

5 A. I don't recall receiving any specific
6 letters in regards to KBLK.

7 Q. Let me ask you this question. Did the
8 FCC order you to stop using the call sign KBLK?

9 A. No, sir.

10 Q. Now this cable radio business, you
11 reported that you had closed -- I think you used,
12 the words you used is closed it down, you didn't
13 sell it I take it?

14 A. It closed down, went out of business, ran
15 out of money. It went out of business.

16 Q. I see. Now did William Washington get
17 involved in this Jupiter FM application as a result
18 of his business venture with you on the cable radio
19 station, is that how he became involved?

20 A. Yes.

21 Q. Now prior to this FM project, by the word
22 project I'm talking about the Jupiter FM
23 application, had you ever met Paul Levine?

24 A. No.

25 Q. And how did you first get in touch with



1 Paul Levine?

2 A. Through -- I contacted my lawyer and my
3 lawyer introduced me, basically gave me his phone
4 number and introduced me. He didn't introduce me on
5 a one-to-one basis. He just gave me his name and
6 phone number.

7 Q. When you say contacted your lawyer, what
8 lawyer are you talking about?

9 A. Well, I didn't have a, per se, appointed
10 lawyer at that time. I was calling getting
11 information, and that was Joe Belisle.

12 Q. You contacted Mr. Belisle?

13 A. Yes.

14 Q. And what was it that was said, you may
15 have a -- What was it that was said that led him to
16 give you this name, Mr. Paul Levine?

17 A. I called first. I seeked out a law firm
18 that handled FCC and I asked, spoke to Mr. -- spoke
19 to Joe. I said, Joe, my name is Chuck Reid and I
20 own a cable radio station, and I explained to him
21 what it was, and basically I had asked him what
22 would it cost and what would be involved in getting
23 a radio station that's been off the air for a couple
24 of years.

25 And he basically explained to me



1 that, as the conversation grew, I found that the
2 expense involved I couldn't afford. And in the
3 process of the conversation he suggested that he
4 knew a guy who was also interested in that
5 particular radio station that I called him about.

6 Q. Okay. And so he gave you Mr. Levine's
7 name?

8 A. Uh-hum.

9 Q. What did you do then, did you telephone
10 him?

11 A. Not right away. It was a couple of days
12 later. I said, well, I'll call him up, and I spoke
13 to him about it.

14 Q. And did you then make an appointment to
15 see him, did you actually meet him in person --

16 A. Uh-huh.

17 Q. -- to talk about this?

18 A. Yes.

19 Q. Now it's true, is it not, that Mr. Levine
20 is an attorney?

21 A. Yes. He is an attorney.

22 Q. And do you know whether his office -- is
23 his office in Miami, to your knowledge?

24 A. I don't know. When I met him he had an
25 office in Miami.



1 Q. Fair enough. When you met with Mr.
2 Levine, did you -- Let me take you back if I can.
3 Do you recall when, month, year, when that was, and
4 we can use as a touch point the fact that the
5 Jupiter Broadcasting application was filed in
6 January of '89, do you recall when you first met
7 Paul Levine?

8 A. Application was filed in January of '89,
9 KBLK went out of business, I think it was '87 or
10 '88, something like that.

11 MR. BELISLE: I only ask that if
12 the client knows a month, that he state a
13 month, but if it's a matter of calculating a
14 month because he doesn't recollect the month,
15 that he might state that -- state that.

16 MR. CARR: Right.

17 MR. BELISLE: What he knows.

18 THE WITNESS: I don't want to say
19 September 9th and then if it turns out to be
20 September whatever it was, a few months before
21 the application -- when I say a few months,
22 could have been five months before January.

23 BY MR. CARR:

24 Q. That's all. I'm not trying to pin you
25 down. I understand you're trying to cast your mind



1 meeting about the structure that an applicant would
2 take if an application was going to be filed?

3 A. No. It was more discussion -- the
4 discussion was more like how much money was going to
5 be needed to do this.

6 Q. I take it Mr. Greenberg indicated that he
7 has sufficient funds to do this?

8 A. Yes.

9 Q. Was there any discussion at this meeting
10 at all about whether or not the applicant would be a
11 corporation or a partnership or any other form?

12 A. It would be a company.

13 Q. Was there any discussion about division
14 of equity, how much ownership each of the
15 participants would have?

16 A. I left that kind of to the lawyers. I
17 made it known at the meeting that this was my idea.
18 Although, I did not have as much money as Philip
19 Greenberg or any of the other guys, it was my idea.
20 As far as I was concerned, it was my initiation of
21 this whole thing and that I wanted, I wanted, I
22 wanted that to mean something.

23 Q. Now had any kind of draft, documents of
24 any kind been prepared at that time at that meeting
25 that were there to be put on the table to look at?



1 that Mr. Greenberg's departure was discussed?

2 A. Not the exact date, no.

3 Q. Who did he inform of his desire to sell
4 his interest?

5 A. I believe he talked to Paul.

6 Q. And an agreement was drafted, was it not,
7 stating that Mr. Greenberg desired to sell his
8 stock, and it uses the term, and be freed from his
9 obligations, do you recall that agreement?

10 A. Mr. Greenberg just asked to be freed of
11 his obligation. As far as the legal ramifications
12 involved with that, I don't know.

13 Q. Now when he said he wanted to be freed
14 from his obligations, was that from the financial
15 obligations to the applicant?

16 A. Yes, I believe.

17 Q. And were his obligations to provide the
18 funds to the applicant, is that what his obligation
19 was?

20 A. Yes.

21 Q. Now the Greenberg stock agreement
22 provides for a sale figure of \$43,000 for his sale,
23 do you know how that \$43,000 figure was reached?

24 A. I believe the lawyers came to that
25 decision.

